of the country from the losses sustained during the war." With these weighty words the Committee brushes aside a host of schemes that have been urged for putting everything right by devising new machinery for the manufacture of new credit. That new credits will be needed for industry after war is obvious, but what else are our banks for, if not to provide it ? They can only be set free to provide it on the scale required if, by the necessary reduction of the floating debt, they are relieved of the locking up of their funds in Government securities, which has been one of the bad results of our bad war finance.

It goes without saying that the Committee does not recommend the continuance in peace of the differential rates for home and foreign money that were introduced as a war measure with a view to lowering a rate at which the Government borrowed at home for war purposes. It would evidently be too severe a strain on human nature to attempt to work such a system, except in war-time, when the artificial conditions by which the market was surrounded made it both feasible and desirable to do so. With regard to the note issue, the Committee proposes a return to the old system and a strictly drawn line for the amount of the fiduciary note issue, the whole note issue (with the exception of the few surviving" private note issues) being put into the hands of the Bank of England, all notes

being payable in gold in London only and being made legal tender throughout the United Kingdom. These suggestions are subject to any special arrangements that may be made with regard to Scotland and Ireland,